

News Release

California Regional Water Quality Control Board
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FOR IMMEDIATE RELEASE
July 23, 2008

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CENTRAL COAST WATER BOARD ASSISTANT EXECUTIVE OFFICER PROPOSES \$8.6 MILLION IN FINES TO GREKA OIL FOR PETROLEUM WASTE CLEANUP VIOLATIONS

SAN LUIS OBISPO – Greka Oil & Gas, Inc. faces a fine of \$8.6 million for petroleum waste cleanup violations that began in January 2007, and which continue to threaten water quality.

The Assistant Executive Officer of the Central Coast Regional Water Quality Control Board has issued an administrative complaint to Greka Oil & Gas, Inc. for violations of a cleanup and abatement order for the Casmalia, Cat Canyon, Santa Maria Valley, and Zaca Oilfields.

The Water Board Executive Officer issued the cleanup order for the oilfields in December 2006 to ensure that Greka properly manages, tests, and disposes of petroleum-impacted waste piles, including hazardous materials, to protect surface water and groundwater quality. Delaying the removal of the petroleum waste piles has extended the time surface waters are exposed to pollutants eroded from the piles by wind and rain, and has also exposed groundwater to pollutants soaking into the ground beneath the piles. Surface waters in the vicinity of the waste pile sites include Schumann Canyon Creek, Bradley Canyon Creek, the Santa Maria River, Zaca Creek, and numerous unnamed surface waters.

The Central Coast Regional Water Quality Control Board is a California state agency tasked with preservation and enhancement of water quality. The Water Board is scheduled to consider the complaint at its regular public meeting on October 16-17, 2008, in Santa Barbara.

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